



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 16, 2002

William Jacobson
Atlas Mining Company
P.O. Box 968
Osburn, Idaho 83849-0968

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Atlas Mining Company, Dragon Mine Project, S/023/080, Juab County, Utah

Dear Mr. Jacobson:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial \$150.00 permit application fee, received by the Division on August 16, 2002. The proposed Dragon Mine Project is located in the NW1/4 NE1/4 of Section 31, T10S R2W, SLBM, Juab County, Utah. You were notified that we could not continue review of the notice without a sufficient map identifying the proposed area. On October 2, 2002, we received new pages amending your notice and the required map.

Because of a Memorandum of Agreement between this Division and the Utah Division of State History, we are required to notify them of any proposed mining projects in the state so they can check to see if there are any archaeological or historical concerns in the proposed mining area. We forwarded your notice to State History on October 3, 2002. To date, we have not received notification from State History as to whether or not there are any known historical concerns in this proposed mining area.

The Division considers your application complete and no additional information is required by the Division at this time. **You may commence with your mining operations as outlined. Please be advised that if you encounter any archaeological or historical concerns, you are to immediately cease operations and notify this office and State History of your find.**

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. **It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.**

The acceptance of this notice is for a small mining operation only, **not to exceed five acres.** Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as

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soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 2002, and annually thereafter, the fees were increased to \$150.00 for small mining notices.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Munson", followed by a horizontal line.

Tom Munson
Senior Reclamation Specialist

jb
Enclosure: SMO summary
O:\M023-Juab\s023080-dragon\final\S-complt.doc